

# 2022 Sustainability Report



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**Albert D. Huddleston**  
Chief Executive Officer

# Letter From the CEO

While Aethon takes an unconventional approach to how we think and grow our business, our purpose is to create exceptional value through sustainable energy solutions that make the world better.

Our belief in Principled Private Equity provides the foundation of our investment platform, enabling us to serve others by accelerating the energy transition through responsible development, social uplift and positive business outcomes.

Aethon's methods for developing energy resources prioritizes environmental, social and governance performance and is reinforced by our key values of integrity, safety, innovation, teamwork, humility and respect. We remain committed to operating as stewards of the environment and our assets, leveraging a long-term strategy for sustainability with objective goals and measurable outcomes.

Our team is hard at work to continue reducing our greenhouse gas emissions intensity as a part of our 10-year emissions-reduction plan — building on the progress we made from 2016 to 2021 to reduce emissions by more than 75% during that period. This work demonstrates our belief in decoupling production growth from the scale of our environmental impact and a clear path toward net-zero natural gas from wellhead to electron.

Investing in low-carbon natural gas solutions will be a critical part of moving the energy transition forward, and in 2022, we continued to reduce emissions through our comprehensive program to detect and eliminate methane leaks using advanced technologies that better inform our efforts to reduce emissions. In addition, Aethon is continuously pursuing greater operational efficiencies, fuel sourcing and deployment of cleaner hydraulic fracturing solutions.

We also pride ourselves on positive engagement with our people, partners and the places where we live and work. Aethon exceeded last year's volunteerism and charitable contributions through Aethon in Action in 2022, evidencing our commitment to a positive impact.

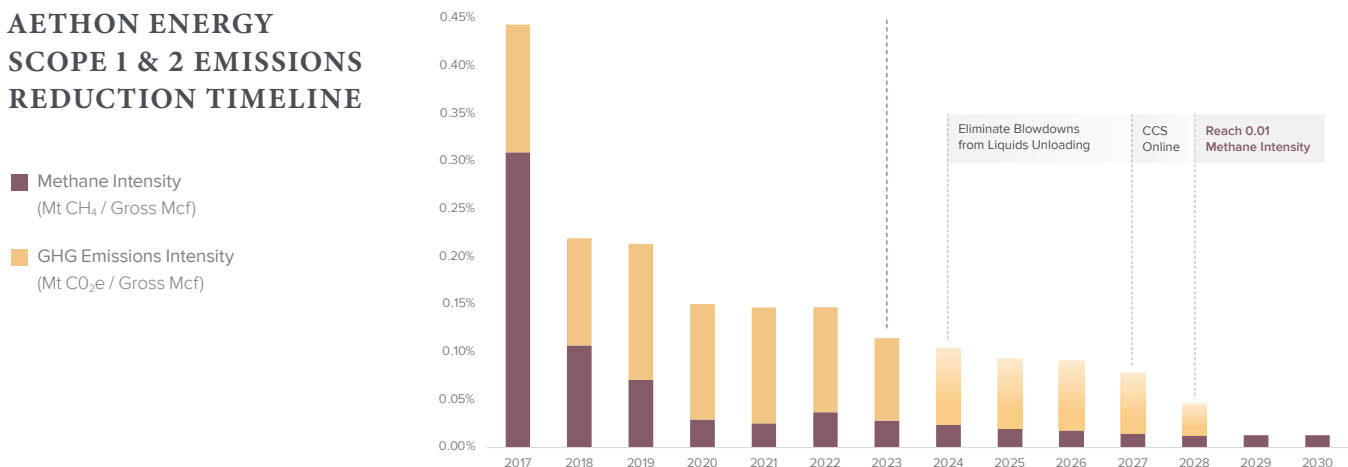
I truly believe in our potential to fuel the transition toward a low-carbon future and am extremely proud of the action we are taking to reach our goal of reducing the intensity of our emissions to 0.02% by 2031<sup>1</sup>.

I believe our entire industry should be accountable for achieving near net zero methane and carbon dioxide emissions intensity. It requires dedication, hard work, great strategy and brilliant execution, and I ask you to join us in this journey to responsible business which we have embraced.

Thank you for your interest in our 2022 performance.

Sincerely,

## AETHON ENERGY SCOPE 1 & 2 EMISSIONS REDUCTION TIMELINE



<sup>1</sup> Emissions intensity defined as Mt CO<sub>2</sub>e / Gross Mcf (includes emissions from upstream and midstream business segments)

# About Aethon

Aethon Energy (Aethon) is a private investment firm focused on direct investments in onshore energy assets in the United States headquartered in Dallas, Texas. In 2022, Aethon employed more than 285 employees throughout its operations. Aethon's assets are concentrated in North Louisiana and East Texas with a focus on developing the Haynesville Shale. The company also owns and operates vertically integrated Moneta Divide oil and gas assets in the Wind River Basin of Wyoming.

Aethon is a leading operator with a proven track record, coupled with significant midstream gathering assets to support our upstream development. The scale of Aethon's vertically integrated approach provides one of the lowest overall cost structures in the dry gas industry.

20++

YEARS OF FUTURE DRILLING LOCATIONS

26+

3P RESERVES (TCFE)

2.5+

BCF/D GROSS OPERATED PRODUCTION

1,400

MILES OF COMPANY-OWNED GATHERING PIPELINE

## 2022 E&P ASSET OVERVIEW

~350K

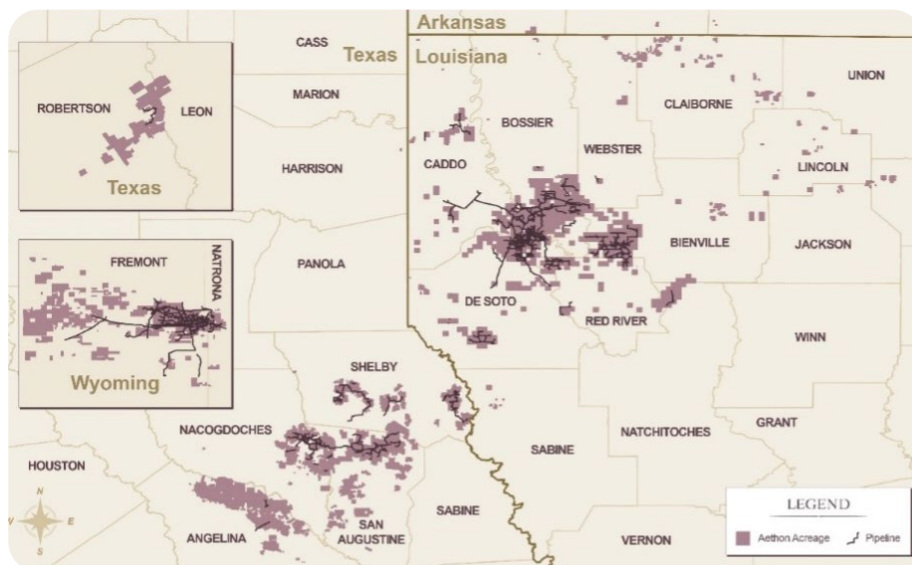
NET ACRES (INCL. JV ACREAGE)

~2.3 Bcf/d

GROSS OPERATED PRODUCTION (FY 2022)

13

HORIZONTAL RIGS



## MIDSTREAM

~1,400

MILES OF PIPE

9

AMINE TREATING FACILITIES

~2.9 Bcf/d

THROUGHPUT CAPACITY

~1.7 Bcf/d

2022E THROUGHPUT

# Our Approach to Sustainability

Aethon's approach to environmental, social and governance (ESG) matters is highlighted by our commitment to protect the environment and our people, operate responsibly, improve our communities and practice sound governance. We believe that our long-term success is based on our ability to safely and efficiently develop our resources, be a steward of the environment and lead as a responsible partner in our communities.

Aethon values our stakeholder partnerships and strives to create a transparent and credible reporting process that reflects these trusted relationships. Our stakeholder engagement approach includes comprehensive analysis of our organization's goals and stakeholders' priorities, as well as corporate and social responsibility, financial and related considerations.

Aethon's Health, Safety, Environmental and Social Responsibility (HSE & SR) Team shapes and drives our Sustainability Model, empowering our business and our people to operate strategically and responsibly as environmental stewards in our communities. Our model underscores our commitment to embrace opportunities, reduce risks and make meaningful contributions for a better world.

Each pillar of our Sustainability Model addresses the Ten Principles of the United Nations Global Compact (UNGC) and United Nations Sustainable Development Goals (UN SDGs), along with Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) standards. See the Appendix for UNGC Principles, SDGs and Standards Chart.



Reflecting our ESG priorities, we employ six management pillars to measure and address the impacts of our business. These pillars serve as a foundation for Aethon's diverse range of programs and actions that drive our overall sustainability strategy:

- 1 Business Ethics, Governance & Continuity
- 2 Climate Change
- 3 Environment (including water, waste, land and resources)
- 4 Safety
- 5 People
- 6 Innovation

## MANAGEMENT PILLARS: PERFORMANCE

MANAGEMENT PILLARS	2022 TARGET OBJECTIVES	2022 RESULTS
<b>Business Ethics, Governance &amp; Continuity</b>	Zero Compliance Violations/Notices	Zero Compliance Violations/Notices
<b>Climate Change</b>	Reduce GHG Emissions by 22,867 Metric Tons CO <sub>2</sub> e	Reduced 23,532 Metric Tons CO <sub>2</sub> e
	Improve Methane Reduction Efficiency by 19.2 Mmscf/yr	Achieved Methane Reduction Efficiency of 26.82 Mmscf/yr
	Pilot new emissions monitoring and detection technologies	1 solution scoped out for testing in 2022, actual pilot scale testing occurred in January 2023
	Evaluate next generation hydraulic fracturing technologies	1 implemented in 2022
<b>Environment</b>	Record ≤ 25 Agency Reportable Spills	19 Total Agency Reportable Spills
	Ensure 2.00 days or less to Landowner Accountability Program (LAP) Resolution	<ul style="list-style-type: none"> <li>• 13 produced water: ~9 bbl/spill</li> <li>• 5 produced oil/diesel: ~18 bbl/spill</li> <li>• 1 glycol chemical: ~25 gallons</li> </ul>
		1.42 days to LAP Resolution
<b>Safety, Labor, Stakeholders &amp; Compliance</b>	Lead 17 Stakeholder Outreach Initiatives	18 Stakeholder Outreach Initiatives
	Record 1 or fewer Preventable Motor Vehicle Incidents	0 Incidents
<b>People</b>	Achieve Employee Total Recordable Incident Rate (TRIR) ≤ 0.00	0.35 Employee TRIR
	Achieve Contractor TRIR ≤ 0.33	0.65 Contractor TRIR
<b>Innovation</b>	Introduce next generation hydraulic fracturing technology	Implemented first Haynesville all-electric fracturing fleet
	Improve operational efficiency of completions program	Delivered 10% year-over-year increase in pumping hours/day

## OUR REPORTING SCOPE

Aethon Energy's Annual Sustainability Report is designed to provide a transparent view of the strategy and philosophy that drive our pursuit of sustainable development, including clear and consistent measurement of our ESG initiatives and their performance.

The Ten Principles of the UNGC<sup>1</sup>, UN SDGs<sup>2</sup> and GRI Standards<sup>3</sup> were adopted by Aethon as both a methodology and lens to better organize and report our policies, programs and progress.

The information and data included in this report covers Aethon's activities and results for 2022, unless otherwise stated.

<sup>1</sup> The UN Global Compact, The Ten Principles. <https://www.unglobalcompact.org/what-is-gc/mission/principles>

<sup>2</sup> The United Nations Department of Economic and Social Affairs, Sustainable Development, The 17 Goals. <https://sdgs.un.org/goals>

<sup>3</sup> The Global Reporting Initiative, The GRI Standards. <https://www.globalreporting.org/standards/>



# Business Ethics, Governance & Continuity

Aethon is committed to high ethical standards, and we hold every member of the organization responsible for maintaining them.





# Business Ethics, Governance & Continuity

## COMPLIANCE

Aethon is committed to maintaining compliance with applicable laws, regulations and its established policies. Under the supervision of our Chief Compliance Officer and our General Counsel, regular monitoring and audits for compliance are performed and measures are taken to deter non-compliance and/or reduce the exposure of employees to unethical opportunities. All employees are trained on our policies, protocols and guidelines, as laid out in Aethon's Team Member Handbook, Compliance Manual and Code of Ethics, and supported by annual compliance training that is also part of our onboarding process for new hires.

Over the course of 2023, Aethon is implementing new compliance-technology solutions to support our compliance initiatives and help centralize data, as well as track activities associated with compliance requirements and reporting.

## BUSINESS ETHICS

We believe that our organizational ethical philosophy and values drive our business objectives, performance and culture and affect the reputation, productivity and bottom line of the business.

We employ a range of policies, protocols and guidelines to bolster our ethical framework and ensure our people practice accountability, deal fairly with all business partners and stakeholders, and treat all individuals with respect. They are included in our Team Member Handbook, as well as our Compliance Manual and Code of Ethics. Key areas covered include:

- 1 Confidentiality
- 2 Anti-Money Laundering
- 3 Inducement & Gifts
- 4 Compliance with Laws
- 5 Fair Operating Practices
- 6 Respect for Property Rights
- 7 Fair Competition
- 8 Anti-Corruption (Foreign Corrupt Practices Act)

## WHISTLEBLOWING

Although we take measures to deter non-compliance with applicable laws, regulations and our established policies, we recognize that there may be occasions where a violation might occur or be suspected of occurring. Even if unsure of the occurrence, we strongly encourage employees to bring the matter to the attention of our Legal Department, Chief Compliance Officer or our President for prompt review, investigation and, if applicable, resolution. This can be done by directly contacting them or by using our independent reporting hotline, which is reachable 24/7 and is available in all local languages. Reports may be made on a confidential or anonymous basis. Aethon has a non-retaliation policy that applies to anyone who reports matters in good faith: Aethon will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee for submitting a concern or making a report.

All reports are logged into a database and the Legal and Compliance Departments, led by our General Counsel and Chief Compliance Officer, investigate all reports until resolution. If it is discovered that a violation has occurred, they will notify senior management and take corrective action as deemed necessary.

In 2022, zero reports were received, and testing was performed as part of a financial audit to ensure our processes and procedures functioned as intended.

As defined by GRI Standards Disclosure 205-3<sup>4</sup> and 206-1<sup>5</sup>, Aethon did not experience any reportable incidents in 2022.

## PROMOTING SOCIAL RESPONSIBILITY IN THE SUPPLY CHAIN

Together with our suppliers and the broader industry supply chain, Aethon promotes procurement activities that account for and prioritize:

- Protection of the environment;
- Respect for human rights, including prohibition of discrimination and protection for labor, including the prohibition of forced and child labor, expectations of maximum working hours and minimum living wages and the right to freedom of association and collective bargaining;
- Guarantees of health and safety, including the prohibition of corporal punishment or other severe disciplinary practices, and the right to acceptable living conditions;
- Assurance of safety and quality of products and services; maintenance and promotion of information security; and
- Fair trade and corporate ethics.

As part of our operations and relationships with third parties, Aethon sets expectations of compliance with these practices, both internally and with our partners.

## POLITICAL & CHARITABLE CONTRIBUTIONS

Aethon operates in a heavily regulated industry and, therefore, can be deeply affected by the political and legislative process. We strongly believe that our long-term value is enhanced by a business environment that protects and supports our ability to responsibly operate to provide important resources. Corporate contributions in furtherance of this interest, if any, are made only if consistent with our Political and Charitable Contributions policy. This policy states that the Company and its employees may not make payments or provide any other item of value, directly or indirectly, to any government employee, political official or charitable organization for the purpose of obtaining business or influencing any decision on behalf of Aethon or its activities.

Employees are allowed to spend their own time and money in support of political candidates and/or issues of their choice, but will not be reimbursed or compensated by the Company in any way. Contributions above a certain monetary threshold must also receive approval in advance from our Chief Compliance Officer or President.

<sup>4</sup> GRI 205: Anti-Corruption 2016: <https://www.globalreporting.org/standards/media/1006/gri-205-anti-corruption-2016.pdf>

<sup>5</sup> GRI 206: Anti-Competitive Behavior 2016: <https://www.globalreporting.org/standards/media/1007/gri-206-anti-competitive-behavior-2016.pdf>



# Governance

## RISK COMMITTEE

Disciplined risk management is fundamental to Aethon's operating principles and is overseen by our Risk Committee. The Risk Committee is composed of key members of the senior leadership team, including the:

- Chief Executive Officer
- President
- Chief Operating Officer
- Chief Financial Officer
- General Counsel
- Chief Commercial Officer
- Chief Health, Safety and Environmental Officer
- Senior Vice President of Finance
- Vice President of Commercial

The committee meets on a monthly basis to identify, track and mitigate corporate and macro risks, including review of the factors that may influence Aethon's business, which may include but are not limited to:

- Commodity price fluctuations
- ESG initiatives and reports
- Business plan performance
- Business conditions
- External market factors
- Government and regulatory conditions

Committee member discussions also address the risks and potential effects as they relate to Aethon's:

- Drilling and development
- Midstream functions
- Marketing platforms
- Capital structure
- Finances
- Other enterprise-level operations

Formal risk registers are used to identify key risks and assign risk mitigation plans.

**Aethon's governance framework ensures efficient and effective use of resources, and it aligns closely with the interests of our stakeholders. Critically, it establishes clear accountability and defines the relationship between our economic and social goals.**

## HEALTH, SAFETY, ENVIRONMENTAL AND SOCIAL RESPONSIBILITY TEAM

Aethon's Health, Safety, Environmental and Social Responsibility (HSE & SR) Team shapes and drives our sustainability initiatives within the organization.

## BUSINESS CONTINUITY

Business continuity is a significant aspect of our risk management strategy. Advanced planning and preparations are designed to ensure that our organization has the capabilities to operate our critical business functions during and after emergency events, which can range from cybersecurity threats to pandemics and other operational risks. We regularly evaluate different risks to our people, places, systems, production and partners, helping improve our overall resilience and refine our preparedness for risk-events.



# Climate Change

Aethon recognizes there are both business opportunities and risks associated with the energy transition and climate change. Reducing our greenhouse gas (GHG) emissions represents the most significant opportunity to improve our environmental impact.

Utilizing the Taskforce on Climate-Related Financial Disclosures (TCFD) framework, this section outlines our approach to managing and addressing climate change–related risks and opportunities.



# Climate Change

## Managing Climate Change and Energy Transition Risks

### GOVERNANCE

Aethon's Executive Leadership Team sets our sustainability and business strategies, including approving our emissions reduction initiatives and goals, which are operationalized through our Health, Safety, Environmental and Social Responsibility (HSE & SR) Management Program.

Our Executive Leadership Team oversees Aethon's ESG programs and activities, including oversight of climate-related risks and opportunities and climate resiliency planning. The Executive Team approves the capital investment budget based on the recommendation of the Executive Leadership Team, including investments in technologies to reduce emissions.

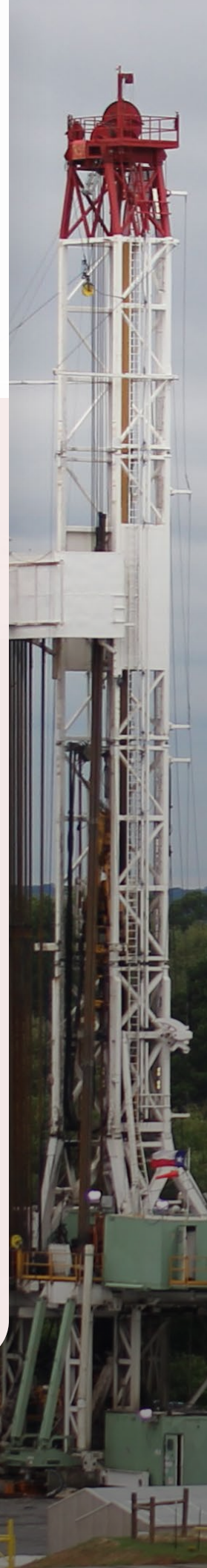
### STRATEGY

We regularly invest in reducing our GHG emissions, and ways to address potential climate change-related risks and opportunities. As part of our strategy, we have set a goal to reduce our GHG intensity to 0.02% (Mt CO<sub>2</sub>e/Gross Mcf) or less by 2031. We have created a roadmap to evaluate and implement new technologies and practices to lower our emissions as we work to achieve this goal.

### TEN-YEAR EMISSIONS REDUCTION PROGRAM ROADMAP

Aethon's Ten-Year Emissions Reduction Program will optimize operational efficiencies and implement new technologies over the next decade, investing hundreds of millions of dollars across eight initiatives, including:

- 1 Leak Detection and Repair
- 2 Zero Emissions Wellsite Design
- 3 Retrofitting Pneumatic Pumps
- 4 Emissions Inventories
- 5 Compressor Combustion Efficiency & Sourcing
- 6 Drilling & Completions Energy Sourcing
- 7 Eliminating AGR Venting
- 8 Lifecycle Management of Assets



# Our Ten-Year GHG Emissions Reduction Program

Aethon Energy aims to lower its GHG emissions intensity

**85%** by 2031 to 0.02%  
(Mt CO<sub>2</sub>e/Gross Mcf)

Avoiding over

**3.8 million**  
metric tons of CO<sub>2</sub>e  
over 10 years

## EMISSIONS MANAGEMENT

Our comprehensive approach to managing and monitoring emissions across all our operations has decoupled production growth from environmental impact. These results underscore our efforts to prioritize solutions that deliver the most significant reductions in our emissions.

### Retrofitting Pneumatic Devices

To reduce methane emissions, we have begun scoping work to eliminate the use of gas pneumatic components at all of our midstream plants. This transition will eliminate related methane emissions and offers additional safety and financial benefits. We seek to have our midstream plants transitioned away from gas pneumatic instruments by the end of 2024, ahead of our original timeline.

### Fleet Upgrade and Efficiency

We are focused on rolling out the newest generation of fracturing equipment, which helps reduce emissions through alternative fuels and improved efficiency.

- **Alternative fuels:** We implemented our first all-electric Halliburton Zeus fleet in April 2022 as the first in the Haynesville Basin, which delivered immediate improvements to our emissions output compared to conventional diesel fleets.
- **Smaller footprint:** Our new-generation frac fleets have smaller operational footprints and/or improved modularity, which allows us to reduce surface impact with no loss in operational efficiency.
- **Quieter:** A third-party sound study performed in 2022 indicated that BJ Titan and Halliburton Zeus fleets have reduced overall sound output versus conventional fleets and compare closely to modern “quiet” fleets.
- **More efficient:** Our fleets deliver 10% year-over-year improvement in pumping hours/day, primarily driven by reduced swap (idle) time due to enhanced predictive maintenance schedules and leveraging “quick swap” technologies.

### Leak Detection and Repair (LDAR) Program

Aethon’s LDAR program identifies leaks across our operations to improve our repair response times and enhance preventative maintenance. As part of a risk-based approach, compressor and plant facility inspections have quarterly reviews to better monitor more vulnerable or higher risk components.

We track and monitor leak-repair timeframes leveraging accurate data to track and report our progress. Aethon analyzes the results to understand which component types are most frequently associated with leaks.

Using this information, operations can develop and perform more proactive preventative maintenance programs. This focused approach has resulted in significant improvement in managing fugitive equipment leaks. In 2022, company-wide equipment leaks totaled 6,588 Metric Tons CO<sub>2</sub>e, achieving an over 50% decrease in annual GHG emissions from equipment leaks since the inception of the program in 2019.

	2019	2020	2021	2022
<b>LDAR Inspections (#)</b>	2,382	2,286	2,921	2,292
<b>Equipment Leaks (MT CO<sub>2</sub>e)</b>	14,886	14,251	11,761	6,588*

*\*Metric was audited and assured by third-party assurance provider ERM-CVS*

### Carbon Capture

Aethon’s internal carbon capture utilization and sequestration (CCUS) team was established in 2018 to pursue what we believe is the most significant opportunity identified in our 10-Year GHG Emission Reduction Strategy. We continue to invest in understanding the underlying science, infrastructure, and regulatory environment for CO<sub>2</sub> and waste gas disposal, and we have spent several years pursuing and securing Class II Acid Gas Injection permits for our Martinsville and Bland Lake plants via Aethon’s Kudu Midstream subsidiary.

Aethon’s CCUS strategy has evolved to focus on Class VI Injection Wells, exploring various locations in Louisiana and Texas. This work includes reservoir mapping and surface due diligence of formations and locations we are targeting for permitting in 2023 that are capable of capturing and sequestering third-party CO<sub>2</sub>, in addition to emissions from Aethon’s operations.



We recognize the importance of industry collaboration to achieve greater impact and progress.

Some of our partnerships include:



### **METHANE CHALLENGE PROGRAM**

Aethon voluntarily discloses methane-reduction efforts as a member of the U.S. Environmental Protection Agency (EPA) Methane Challenge Program. The extensive data provided by Methane Challenge Partners has resulted in a suite of technical information on viable, cost-effective methane mitigation technologies and practices.



### **THE ENVIRONMENTAL PARTNERSHIP**

As members of The Environmental Partnership, Aethon is committed to reducing emissions through innovative solutions that are technically feasible, commercially proven and will result in significant Emissions reductions. We collaborate with industry peers to share information, analyze best practices and adopt technologies that significantly improve our understanding and ability to reduce emissions and our overall environmental impact.





## RISK MANAGEMENT

As an energy firm focused on direct investments in onshore energy assets in the United States, Aethon faces a number of risks, including climate-related risks. Executive Leadership is responsible for the day-to-day management of the risks we face, while our Risk Committee is responsible for risk-management oversight.

Aethon has established and continually advances our risk identification, mitigation, prioritization and management practices, including around how we address potential climate change-related risks. Organization-wide and project-level risk identification, supported by an enterprise risk management (ERM) system to strengthen our risk management and mitigation process, allows us to develop measures to avoid, mitigate or remedy risks.

Through our business planning and actions, we seek to mitigate potential climate-related risks that include current and emerging regulations and legislation, technologies, legal issues, market conditions, physical and environmental factors and reputational risks.

## EMISSIONS AND TARGETS

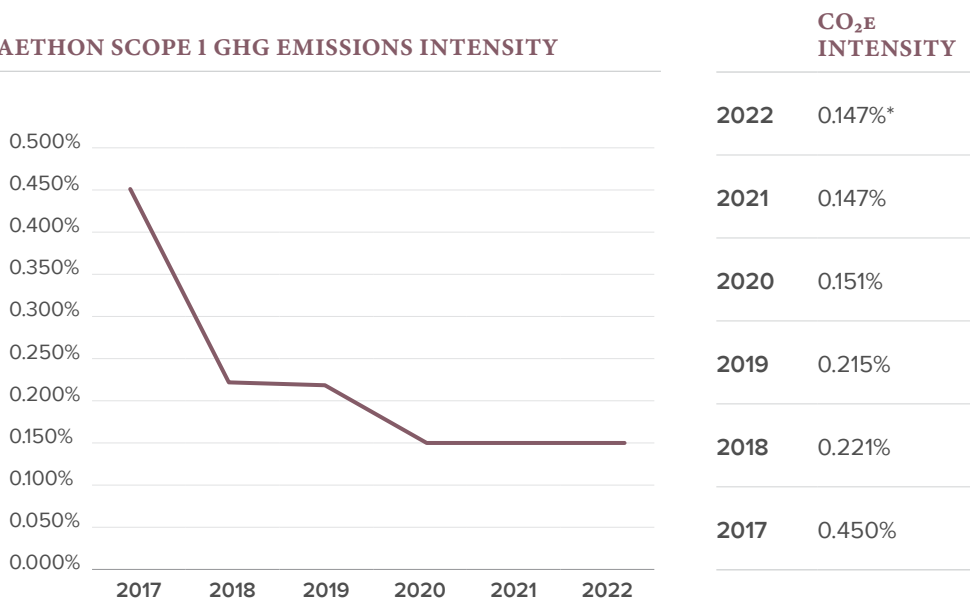
Aethon tracks our Scope 1 and 2 GHG emissions both on an absolute basis and by the intensity relative to production, as well as relevant energy use and related fugitive emissions and flaring. Our Scope 1 and Scope 2 emissions reportable under the EPA GHG reporting requirement (40 CFR Part 98) are audited and assured by third-party assurance and certification provider ERM CVS. Our performance demonstrated more than 75% reduction in carbon intensity from 2016 through 2021.

Aethon continues to research quantification of Scope 3 emissions to understand our full-lifecycle emissions across our value chain.

## TARGET

We have set a goal to reduce our GHG emissions intensity 85% by 2031 compared to our 2020 baseline.

### AETHON SCOPE 1 GHG EMISSIONS INTENSITY



\*Metric was audited and assured by third-party assurance provider ERM-CVS

## 2022 GHG Emissions and Energy Use

### GHG EMISSIONS

#### Scope 1

**1,207,992\***

METRIC TONS CO<sub>2</sub>E

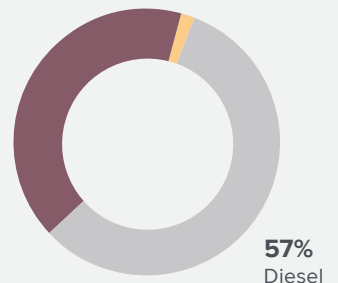
#### Scope 2

**10,326\***

METRIC TONS CO<sub>2</sub>E

### ENERGY USE

41% Natural gas  
2% Electricity



#### Electricity

**25,650,209**

KWH

# Environment

Environmental stewardship is a cornerstone of Aethon's business, and we use best practices and leading standards to protect the environment. We believe that improved operational efficiency and resource management can sustain significant economic growth, while reducing our impact on the environment.



# Environment

## BIODIVERSITY

We are committed to protecting biodiversity and minimizing adverse environmental impacts from our operations. Aethon performs environmental assessments and reviews on all proposed development areas to ensure all potential impacts to wetlands, streams, archeology, endangered species and floodplains are identified and mitigated. We implement directional drilling technology from multi-well pads and minimizes any surface disturbance where feasible.

## AIR EMISSIONS

Aethon implements best management practices to minimize venting into the air and atmosphere. For example, we focus on emission reductions by sourcing best available control technology (BACT), testing engine emission sources to validate compliance with applicable limits and regulations, and routing emissions from oil tanks to combustion devices to reduce flashing emissions.

## ENVIRONMENTAL MANAGEMENT

Our Health, Safety, Environmental & Social Responsibility (HSE & SR) Management Program provides the framework through which we identify, monitor and reduce environmental risks. Our Executive Leadership Team sets our HSE & SR strategy, approves goals, provides resources to meet performance targets and has oversight of our sustainability policies and programs, including our environmental management approach. Our Chief Health, Safety and Environmental Officer has managerial responsibility for implementing our HSE program.

We regularly review our operations to identify potential environmental impacts and minimize our footprint. For example, Aethon focuses on responsible development by implementing pollution prevention, sustainable resource use, avoidance and mitigation of water and wetland impacts, and protecting biodiversity and restoration of natural habitats.

Through our HSE & SR Management Program, we set objectives, measure results and improve practices. Our operations are subject to stringent environmental laws and regulations, which we strictly follow. We provide employee training on environmental compliance and our operating procedures, including monthly safety meetings with environmental focuses.

Environmental considerations are embedded throughout Aethon's business practices to minimize the impact to air, land and water. Programs are developed and maintained to:

- 1 Decrease emissions
- 2 Prevent and respond to spills
- 3 Minimize habitat disturbance
- 4 Protect water across diverse ecosystems and regulatory jurisdictions



## WATER USE AND EFFLUENTS

Aethon is committed to the efficient and responsible use of water and minimizing and properly handling effluents. Water sourcing for well completions is achieved in multiple ways across our operations. Solutions include reuse of Aethon's own produced water and obtaining surface-use permits from nearby sources to drill designated water source wells. Aethon is an industry leader in the advancement of produced water treatment, which facilitates surface discharge. Other produced water generated during our operations is disposed in Underground Injection Control Class II water disposal wells. Protection of groundwater is accomplished by ensuring wellbore integrity and sufficient depths from groundwater when implementing the use of poly lined ponds or pits.



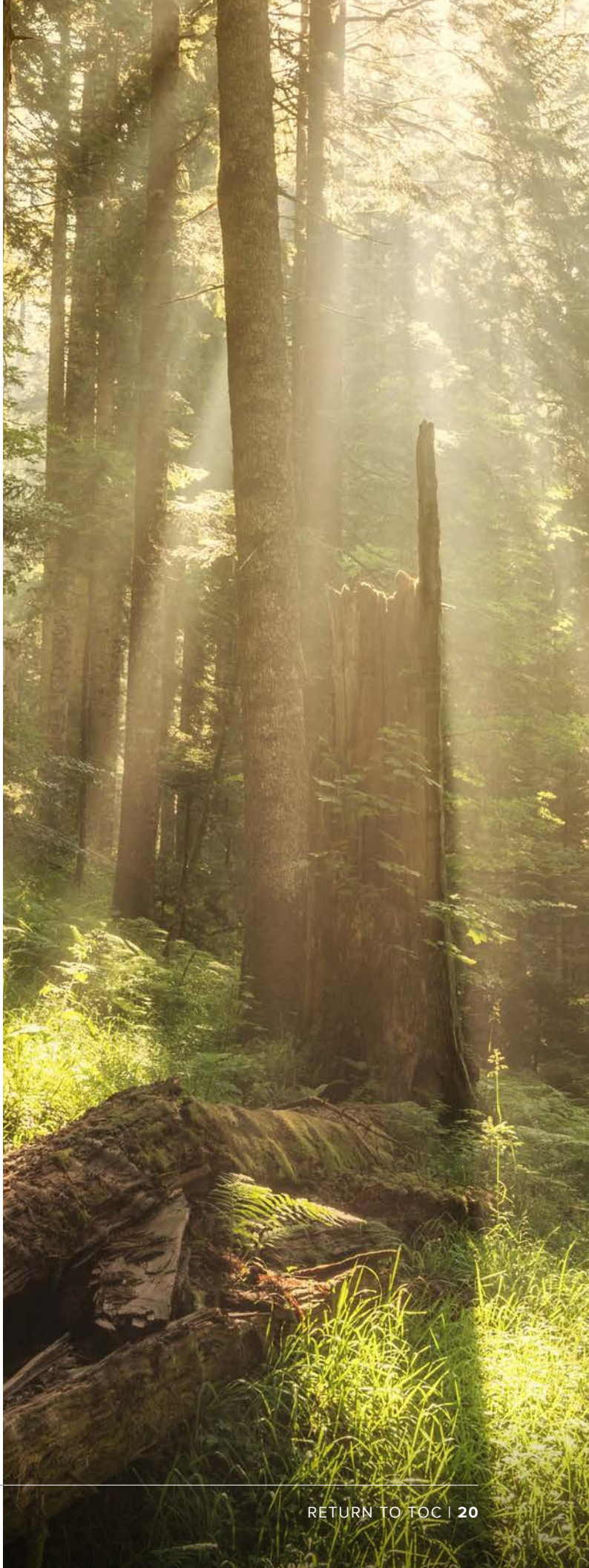
### INSTALLATION OF A WATER GATHERING/DISPOSAL SYSTEM

At the Drake-Hudson Pad, we achieved a reduction in Scope 3 emissions from truck use and traffic, creating more than \$400,000 in annual savings and netting its cost in just 88 days.



### ADVANCING PRODUCED WATER TREATMENT

At Aethon's Moneta Divide facility in Wyoming, we are underway with the design and permitting of a water treatment pilot-scale project that was conducted from November 15 through December 2, 2022. The 20-gallon-per-minute pilot study was primarily conducted to demonstrate if H<sub>2</sub>Oil media would coalesce oil, trap suspended solids and determine if the media removes volatile organic compounds. A second-round pilot study will occur in Q3-2023 and will include H<sub>2</sub>Oil media again based on positive results being observed at removing and recovering oily emulsion waste along with air stripping for destruction of volatile organic compounds, ultrafiltration for removal of suspended solids, bicarbonate reduction and methanol reduction through a patented system.



## WASTE MANAGEMENT

Minimizing and safely disposing of waste from our operations is another key focus at Aethon. To reduce our waste footprint, Aethon recycles used engine oil, scrap metal and batteries. Aethon ensures all generated commercial trash and Exploration and Production (E&P) waste streams are disposed of at appropriate facilities, and all required regulatory documentation is retained.

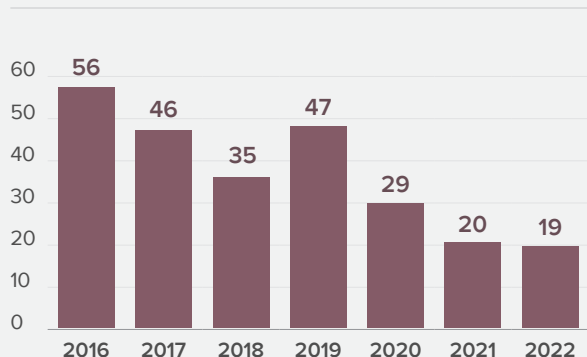
Aethon also ensures that the hydraulic fracturing fluid products used in our operations are safe, effective and environmentally responsible. We maintain full disclosure of our practices through a national hydraulic fracturing chemical disclosure registry called FracFocus. Aethon requires our vendors, including chemical manufacturers and suppliers, to follow the same rules and regulations on product use, subject to the Hazard Communication Standard through the Occupational Safety and Health Administration (OSHA) under the United States Department of Labor.

## SPILLS

Aethon made significant progress in preventing and reducing spills over the past seven years, resulting in an 66% decrease in the total number of reportable spills — from 56 in 2016 to 19 in 2022 — driven largely by increasingly effective asset integrity management as our production capacity increases. Ultimately, Aethon’s spill management strategy:

- Protects people through safe, efficient operations
- Protects the environment
- Complies with regulations
- Protects our assets

Spill Frequency



## ASSET INTEGRITY PROGRAM

Aethon regularly monitors our operations to predict potential incidents through sophisticated trend analysis methods. We have improved our Asset Integrity Program with enhanced predictive modeling of failures, helping reduce gas releases and emissions from our assets into the environment.

We have also made substantial operational efficiency and production gains as a part of our Asset Integrity Program, driven by water-line header inspections, non-destructive testing and scheduled choke inspections that all contributed to reducing spills from our assets. Key enhancements included:

- **Pipeline upgrades for pigging:** In Wyoming, we upgraded four pipeline segments to include launchers and receivers and allow pipeline maintenance activities moving forward.
- **Non-Destructive Testing (NDT):** In Wyoming, NDT was performed by a consulting firm at the Central facility in 2022 and included inspection of the amine treatment unit to ensure any anomalies were identified and addressed.
- **A liner upgrade to water pit:** In Wyoming, we replaced the poly liner on the main water retention pit utilized upstream of surface discharge operations in 2022.
- **Facility separation:** In Texas, we decreased carry-over by more than 6,500 barrels per month and call-out by over 80%, extending the life of the electrical actuator after installing a facility separator and throttling-level control to reduce mixing of water and natural gas.
- **Redesigned water dump lines:** In Texas, we minimized potential leaks and introduced non-destructive testing by redesigning out water dump lines.

## Facility Separation and Water Dump Line Tests

Aethon completed 19 total tests to improve operations through facility separation and new water dump lines in 2022.

	Q1	Q2	Q3	Q4
	4	3	6	6

# Safety

The health, safety and well-being of our employees, contractors, stakeholders and communities are vital to Aethon's success.



# Safety

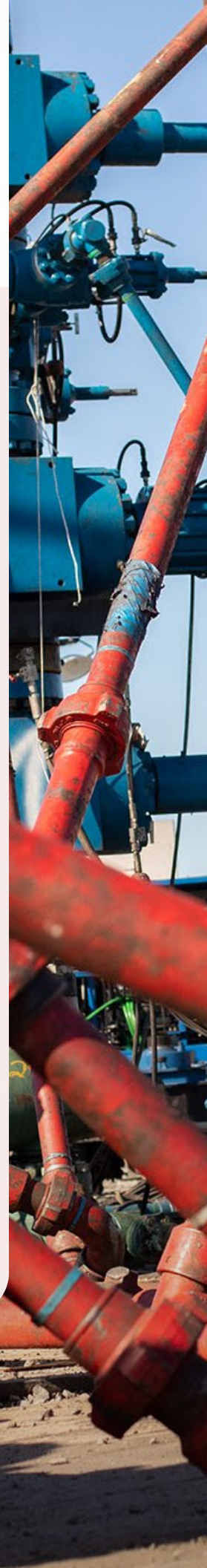
We are committed to eliminating Health, Safety and Environmental incidents, non-conformance issues and mitigating issues where identified. In 2022, we expanded our Health, Safety and Environmental (HSE) Team by recruiting a Chief HSE Officer to the Executive Leadership Team. The Chief HSE Officer maintains oversight of health and safety issues and programs at Aethon, and leads our team in identifying, assessing, monitoring and managing risks regarding our safety and operations, along with reporting to the Executive Leadership Team and Risk Committee.

Our HSE & SR Policy sets the foundation of our extensive HSE & SR Management Program and covers all Aethon employees and contractors. Management conducts periodic and annual reviews of the program and considers employee input and feedback to continually revise the program. Through the program, we set HSE & SR objectives, measure results and improve practices. The HSE & SR Management Program includes management and employee roles and responsibilities, emergency response plan, hazard prevention, training and stakeholder engagement.

As part of our effort to improve the efficiency of managing Aethon's safety program, we are in the process of developing, implementing and deploying HSE Management System software for all employees. The software will allow us to track and manage trainings, audits, inspections, incidents and more using one central system.

We employ comprehensive health and safety programs across our operations, proactively evolving our practices to better track trends, leading indicators and other data to help reduce safety incidents. This includes a systematic, data-driven methodology for investigating, analyzing and reducing risks through:

- 1 Training and regular education as our operations evolve and grow
- 2 Identifying and assessing hazards through monitoring of actual and potential environmental and workplace risks
- 3 Prevention and controls to reduce identified safety risks and hazards
- 4 Planning and evaluation to review and mitigate ongoing and existing risks or hazards



## HAZARD IDENTIFICATION AND ASSESSMENT

A critical element of our safety and health program is a proactive, ongoing process to identify and assess hazards. It is the responsibility of everyone at Aethon to identify, report, eliminate or mitigate possible hazards. All HSE & SR incidents and hazard IDs are tracked and distributed throughout our operations, and an analysis is prepared periodically to communicate lessons learned across our team.

The following identification and assessment techniques are utilized to ensure workplace hazards are recognized and corrected:

- Regular health, safety and environmental internal inspections
- Risk assessments on identified hazards where elimination of the hazard is not feasible
- Reporting of hazard identification and behavior-based safety observations during daily operations, which are provided to the supervisor and HSE & SR Team for corrective action tracking and records retention purposes
- Management of change (MOC) process to control changes to facilities, equipment, materials or processes through systematic reviews, authorization and procedures
- Incident reporting and investigation

When an existing or potential hazard is identified, Aethon has prevention and control techniques and communications connectivity utilized in our operations:

- **Engineering:** Controlling the hazards through engineering controls, administrative controls and personal protective equipment
- **OSHA mandated programs:** Standards to comply with local, state rules and federal 40 CFR 1910 regulations
- **Preventative maintenance:** Following the manufacturer's recommendations, performing scheduled maintenance and reporting employees' concerns and repair requests

2019 2020 2021 2022

### Employee Total

<b>Recordable Incident Rate (TRIR)</b>	0.85	0.40	0.38	0.35*
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<b>Contractor TRIR</b>	0.18	0.21	0.41	0.65*
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### Preventable MVIs

(incident rate per 1,000,000 miles driven)	0.35	1.43	0.46	0.00
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*\*Total Recordable Incident Rate (TRIR) for employees and contractors audited and assured by third-party assurance provider, ERM-CVS.*

## CONTRACTOR SAFETY

Ensuring the health and safety of our people, including contractors, is a core value of Aethon. All contractors are required to complete a safety onboarding training and briefing prior to beginning work. We utilize supply chain risk management solutions from Veriforce to onboard contractors, which includes a mandatory, electronic Field Safety Briefing.

## TRAINING

Aethon operations employees receive HSE & SR training upon hire and annually thereafter. New-employee orientation consists of an HSE & SR Management program overview, general practices, major hazards and protections and emergencies procedures. Re-orientation might also take place when an employee changes job duties, especially if the change involves significant new hazards. The training includes the following topics, plus any other job-specific topics: Hazard Communication, Personal Protective Equipment, Lockout Tagout, Hot Work, Confined Space Entry, Working at Heights, Respiratory Protection and Bloodborne Pathogens Exposure. We also offer emergency response trainings, OSHA HAZWOPER trainings, first aid and CPR, and forklift operator trainings.

## Safety Leadership Training

In 2022, we expanded our safety trainings to include a "Safety Excellence for Supervisors and Managers" training. All field supervision and lead operators receive the training, and we are expanding this training to Aethon field operators in 2023.





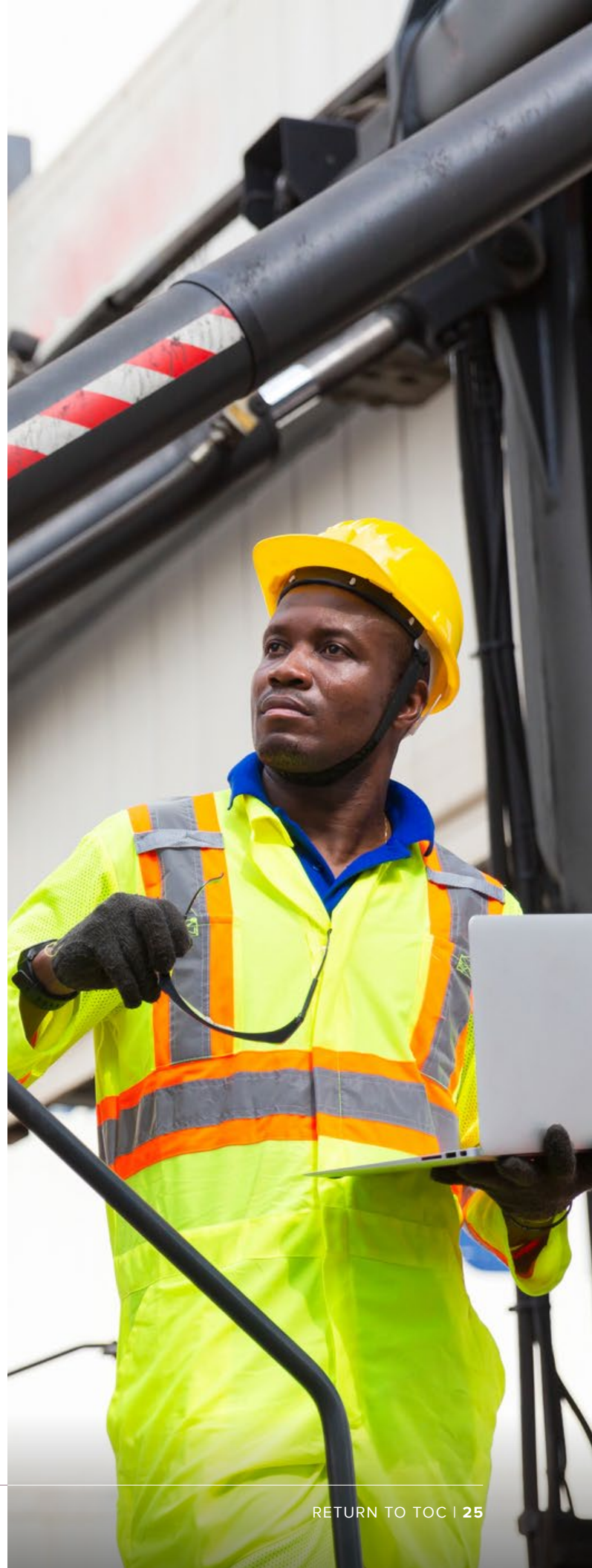
## EMERGENCY RESPONSE PROGRAM

Our emergency response efforts and methods help ensure that we are prepared to respond to and recover from any emergency. Natural disasters, severe weather, accidental spills and human-instigated threats are among the potential hazards that we encounter as part of our work. Our Emergency Response Plan (ERP) complies with guidelines set forth by the Occupational Safety and Health Administration (OSHA) and is distributed to all Aethon employees. We have a 24-hour emergency number and a 24-hour operations center for emergencies. Our Emergency Notification Chart outlines the appropriate notification procedure depending on the magnitude and scope of the incident.

Our emergency response program is overseen by the HSE & SR Team, which reviews and revises the ERP annually. All operations employees receive training on the Emergency Response Plan, Notification Chart, SPCC and the appropriate level of HAZWOPER training on an annual basis. We also conduct annual drills to determine effectiveness of the ERP and maximize emergency preparedness. As part of our regular operations and routine maintenance, fields are inspected for potential safety hazards.

### Stop Work Authority

All of our employees and contractors have the responsibility and authority to stop and/or pause work if they believe hazardous conditions or unsafe practices are occurring. Additionally, all individuals working on Aethon sites are required to report identified hazards and positively and proactively seek ways to better protect those on-site.



## COMPLIANCE & STAKEHOLDER OUTREACH

Aethon actively tracks and manages compliance efforts to ensure regulatory compliance throughout its operations from a health, safety and environmental perspective. Stakeholder engagement is a critical part of this work, helping us understand concerns and priorities and the ways in which Aethon can operate and communicate effectively.

### PIPELINE SAFETY – PUBLIC AWARENESS

Aethon provides educational programs to local emergency responders, public officials and excavators in partnership with industry-leading compliance and training service providers. We aid development and procurement of educational materials, attend stakeholder meetings, participate in emergency response exercises, promote awareness of state damage prevention laws, and help coordinate effective first response plans with local authorities.

Aethon completed a total of 18 public awareness programs about our pipeline infrastructure in 2022, including:

- Attending First Responder Pipeline Trainings across Louisiana and East Texas operating areas
- Conducting outreach with local fire departments, emergency first responders and excavators
- Attending Pipeline Public Awareness meetings
- Active involvement with Pipeline Association of Louisiana (PAL)
- Coordinating response exercise and excavator safety programs (COREEX) across east Texas
- Coordinating response exercise (CORE) across northern Louisiana
- Conducting excavator damage prevention and pipeline safety programs across northern Louisiana

This effort continues to play an important role in raising awareness of pipeline locations, contents, emergency response protocols and reducing the likelihood of related incidents.

### FIRST RESPONDER PARTNERSHIPS

Aethon also engages local first responders to improve knowledge and awareness of oil and gas operations regarding both upstream and midstream assets. These programs provide first responders with local contact information, emergency scenarios and response plans, as well as product-, equipment- and location-specific knowledge in case of an emergency. Some programs take place off-site, while others incorporate site tours at some of Aethon's larger facilities to provide a better understanding of the facilities and operations. Examples of our partnerships include:



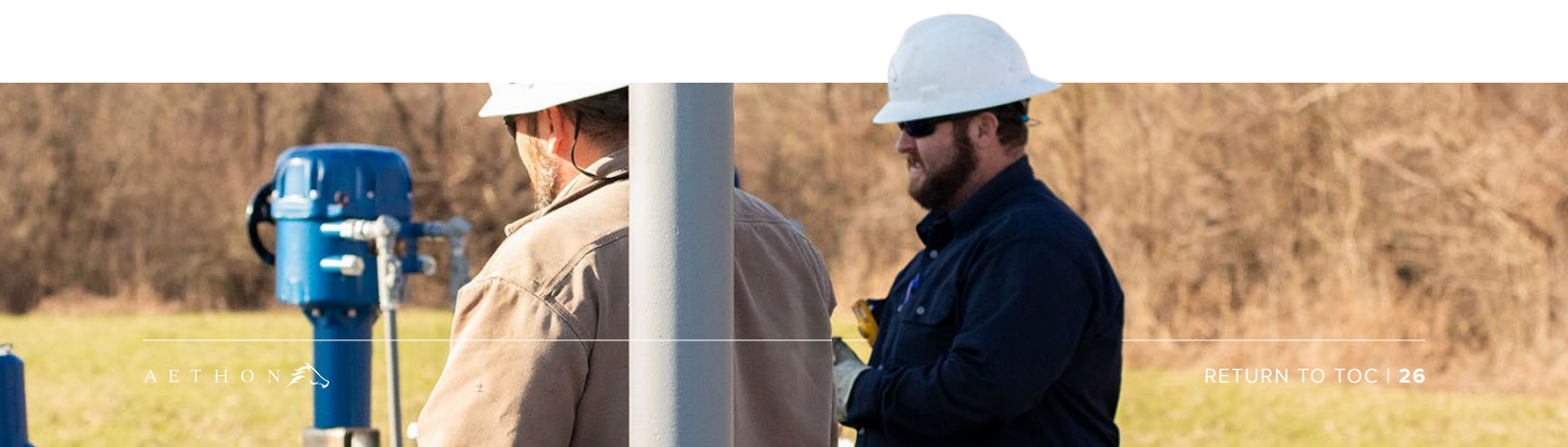
#### NORTH LOUISIANA

- Bienville Parish Fire Department at Ringgold Fire Station
- South Bossier Parish Fire Department at Elm Grove Fire Station
- South Bossier Parish Fire Department coordinated with Elm Grove Team to Operation Clean Sweep with 11 volunteers from Aethon at Bossier Parish



#### EAST TEXAS

- Shelby and San Augustine County along with local municipal Fire, Police and Sheriff Department at the County EXPO center in San Augustine, TX.
- Nacogdoches and Angelina County along with local municipal Fire, Sheriff and Police Department at the Fredonia Hotel in Nacogdoches, TX



# Innovation

We have made significant investments in reducing our emissions, leveraging new and innovative solutions to improve our operational efficiency.



# Innovation

## EMISSIONS REDUCTION TECHNOLOGIES

Our efforts are rooted in a diligent process to identify and evaluate cutting-edge technologies, drive internal research and development, and deploy resources with partners and service providers that are demonstrating tangible results in ways we can monitor and reduce our emissions intensity.

### TECHNOLOGY

### DETAILS

#### FLIR Camera

Optical Gas Imaging (OGI) cooled thermal camera

Aethon introduced CleanConnect.ai's optical gas instrumentation (OGI) camera and FLIR G300a mounted on a pan-tilt unit at our Gravel Point Facility, covering the entire site with one 360-degree rotation camera to evaluate continuous monitoring capabilities for Aethon's midstream assets. The OGI camera is controlled by AI machine modeling and the raw camera feed is analyzed to detect leaks.

#### Aircraft Mounted OGI and Methane Spectrometer

Aethon utilized light-aircraft mounted, integrated methane gas imaging from Kairos Aerospace to detect large methane emissions from as much as 150 square miles of oil and gas infrastructure in a single day. This enhanced our ability to assess the viability of North Louisiana pipeline assets and infrastructure by providing georeferenced methane emissions data, combined with real-time optical imagery for accurate methane source attribution and quantification.

#### LEL Monitor

LEL Methane Gas Detection Sensors at plant facilities

Aethon installed lower explosive limit (LEL) monitors at several natural gas treating facilities across TX and LA in 2022, with additional planning for installations across all natural gas treating facilities in 2023 – detecting and alerting our teams of low methane levels on site.

#### Ultrasonic Sensor

Gas Detection that uses acoustic sensors to identify leaks

Aethon trialed and installed an Ultrasonic Sensor to detect leaks using sound frequency, integrated with our SCADA system to help alert our team at the early signs of a leak.

#### Aircraft Mounted LiDAR

Aethon utilized Bridger Photonics' light detection and ranging (LiDAR), and laser technology to scan Aethon infrastructure by air. Its aerial methane detection plume imagery cross-references with GPS coordinates to filter out offsite emissions through proprietary analytics.



## PARTNERING WITH LEADING SERVICE PROVIDERS

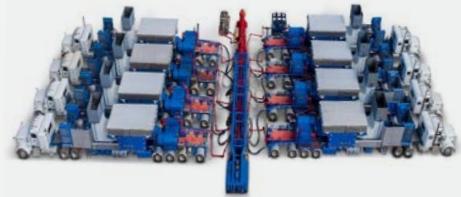
Aethon is committed to leading-edge advancements through research, development and design, as well as collaborative partnerships with goal-aligned vendors. We are proud to foster, drive and participate in collective initiatives in our industry that elevate our performance. Aethon continuously evaluates and deploys leading-edge equipment, processes, design and technology, including:

### HALLIBURTON ZEUS™ ELECTRIC FRACTURING PUMPING UNIT



Part of an all-electric fracturing spread, with the proven ability to achieve sustained activity at 5,000 hydraulic horsepower (HHP) per pump. This electric pumping unit delivers 40% higher performance compared to conventional units, while reducing emissions and fuel costs.

### BJ SERVICES TITAN FLEET



Powered by 5,000 horsepower (HHP) direct-drive natural gas-fired turbines, the TITAN supports the reduction of greenhouse gas emissions, reduced costs, improved mobility, and reliable operations while meeting the most stringent noise reduction requirements across North America.

### LIBERTY ENERGY QUIET FLEET®



Developed to minimize potential nuisance from fracturing activities, this tier 4, dual fuel system fleet addresses both emissions and sound reduction. The engineered sound-suppression technologies lessen decibel levels by more than three-fold (10+ dB noise reduction) at every measured frequency from 20- 20,000 Hz, as well as a reduction of 20+ dBC at the lower, most impactful side of the noise spectrum.

### HALLIBURTON DUAL FUEL ENGINES



Dual fuel engines allow operators to power a fracturing fleet with 70% field gas and only 30% diesel. These engines can switch seamlessly between diesel-only and dual fuel operations, preventing unwanted disruptions and down time.

# People

At Aethon, our team members are an integral part of our success.



# People

## HUMAN CAPITAL

We are dedicated to engaging and retaining a talented and diverse workforce and supporting them in their development. We reinforce a healthy workplace environment that centers on integrity and respect, and we seek to cultivate an atmosphere of diversity, equity and inclusion. Strengthening respect for employee rights and promoting corporate social responsibility are critical to achieving our organizational goals and objectives.

Beginning in 2023, our people will be even better supported with the arrival of our Chief Human Resources Officer to the Executive Leadership Team, who will play an important role in enhancing our strategy and initiatives for our workforce as we expand and enhance our Human Resources function.

## RECRUITMENT

We use a variety of recruitment tools, internal and external recruiters and search engines to find the best talent and foster a diverse workforce. We value diversity at every level of our organization, which enhances our ability to make better decisions, understand our stakeholders more deeply and drive sustainable growth. Our values-based approach to recruiting talent from community events to industry groups, like the Women's Energy Network, aims to identify, attract and retain top talent from across our industry.

## COMPENSATION AND BENEFITS

Aethon is committed to offering employees a total rewards package that includes competitive compensation to drive results and performance, as well as comprehensive benefits. In 2022, we conducted a compensation market analysis to ensure alignment with the market. All employees are eligible to receive an annual performance bonus as part of their compensation.

We also offer industry leading benefits, including unlimited access to exercise facilities within our headquarters, as well as flexible/remote working capabilities to support work-life balance. Aethon team members also benefit from resources that provide counseling and guidance.

### Our range of employee benefits this year included:



Health, dental and vision insurance



A health advocate service to assist navigating insurance benefits



Paid life insurance



Company paid short- and long-term disability insurance



401(k) retirement savings plan, matching 100% of contributions up to 7% of annual base salary



Paid vacation time, based on the total years of career experience, ranging from 3 to 6 weeks annually, which is also available to part-time employees



Nine paid annual holidays



40 hours paid sick time annually



Parental leave



Other leaves such as Bereavement, Jury Duty, Reserve Training and Military Service Leave



An Employee Assistance Program (EAP)



Virtual telemedicine service

## EMPLOYEE DEVELOPMENT

We also encourage and cultivate professional development for our team members in a range of ways. To help advance their careers and support company objectives, we provide opportunities for employees to elevate their skills and capabilities through training across every level of our organization and at every career stage. Through a series of both formal and informal trainings, employees receive operational and safety training pertinent to their role, plus access to professional skills development as part of their annual goals and objectives.

Senior leaders are provided with third-party executive coaching to aid in their skills development, while managers are provided with tools and curriculum for personal and professional development through the Gallup Access platform, including strengths-based training and management solutions.

All employees receive an annual performance review, which allows them to engage in discussion around their individual performance in the prior year, as well as development opportunities and career goals. We combine our evaluation of individual performance into all supervisor evaluations, reinforcing clear understanding of how our teams succeed together, along with individual progress toward both personal and professional milestones.

## EMPLOYEE ENGAGEMENT

Aethon recognizes the importance of all employees feeling heard and valued and strives to focus on the relationships between management and employees. To strengthen those relationships, we undertake many initiatives to facilitate open communication at all levels of the organization and foster employee engagement. We hold quarterly town hall events at which we communicate corporate strategy and performance. We also host informal luncheons and gatherings with leadership from across the organization and functional employee groups, at which employees can share thoughts and ideas with leadership in a comfortable setting.

Aethon has an open door policy encouraging all employees to discuss all work-related problems with their direct supervisor. If the situation cannot be resolved at that level, or the situation involves the supervisor, they are free to speak to the next supervisor in the chain of command or to anyone in Human Resources. They can bring any issues or concern to the Human Resources Team at any time. This policy also makes clear that employees cannot be subject to retaliation for utilizing the open door policy.

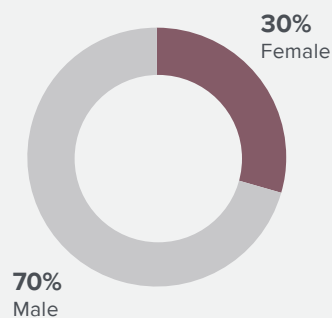
In early 2023, Aethon will launch an employee engagement survey to measure engagement and provided feedback to Human Resources and the Executive Leadership Teams that will continue to be conducted annually. We look forward to measuring our progress using this third-party-administered, anonymous survey.

Underscoring the success of our engagement efforts, Aethon retained 89% of its talent throughout 2022, while also growing headcount by 10%.

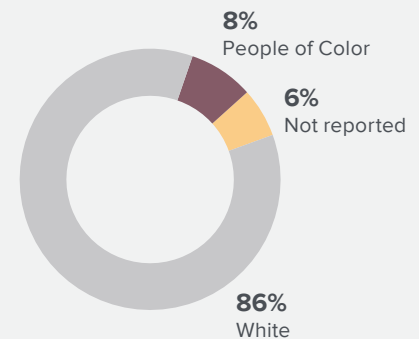
## DIVERSITY, EQUITY AND INCLUSION

We are committed to attracting a diverse workforce as diversity facilitates richer discussions, more innovation, better productivity and increased long-term value creation. We are investing in building a DEI strategy for the company that empowers Aethon to recognize and support our talented team. All leaders are accountable for incorporating DEI considerations into their day-to-day actions and behaviors. In addition, Aethon requires mandatory anti-harassment and anti-discrimination training for all employees at the time of hire and every two years thereafter.

Workforce Gender Diversity



Workforce Ethnic Diversity





# Communities

Aethon seeks to create a positive societal impact in the communities where we live and operate. We strive to advance our communities through employee engagement, job creation, economic growth and community outreach. Our annual Stakeholder Engagement Plan details our corporate initiatives, as well as our commitment in support of employee charitable giving and volunteerism, brought to life through our employee-funded **Aethon in Action** program of grants, charitable giving and volunteer service.



# Communities

## Aethon Focuses On



**SOCIAL  
INVESTMENT**



**COMMUNITY  
INVOLVEMENT**



**EDUCATION  
& CULTURE**



**ECONOMIC  
DEVELOPMENT**



**WEALTH &  
INCOME CREATION**



**HEALTH AND  
WELLNESS**



**EMPLOYMENT  
CREATION & SKILLS  
DEVELOPMENT**

INTERNAL STRATEGY	<b>Employee Donation Match and Volunteerism Program</b> (\$100,000 Corporate Commitment)	<b>Purpose:</b> Increase employee philanthropy, morale and retention by engaging in causes and interests important to staff	<b>Eligibility Requirements for Volunteer Grant and Monetary Match:</b> 501(c)(3) registered nonprofit Not political Not religious Cannot be anti-oil & gas
	<b>Employee Engagement Activities</b>	<b>Purpose:</b> Build a sense of community, satisfaction and increased wellness for field and office staff	<b>Focus Areas:</b> Employee wellness, education and health Team-building and collaboration Outreach to underserved populations; including disabled, economically disadvantaged, veterans Provide resources to vulnerable populations; including elderly, homeless and children
EXTERNAL STRATEGY	<b>Community Investment Grants</b> (\$100,000 Corporate Commitment)	<b>Purpose:</b> Enhance and enrich the communities where we live and operate field assets	<b>Eligibility Requirements for Grant Consideration:</b> Organization must be located in or serving an operating area community 501(c)(3) registered nonprofit, established nonprofit community organization, and local, state or federal institution  <b>Requested project or event must focus on:</b> <ul style="list-style-type: none"> <li>• Environmental stewardship;</li> <li>• Community health and education; or</li> <li>• Community development</li> </ul>
	<b>Corporate Partnership</b>	<b>Purpose:</b> Offset operational ESG impacts through a corporate level commitment	<b>Focus Areas:</b> Climate change/ disaster relief efforts Water use, sourcing and availability Tree reforestation efforts to offset ecological, surface disturbances
	<b>Focused Stakeholder Communications</b>	<b>Purpose:</b> Increase stakeholder understanding of field-level activities through communication and outreach	<b>Focus Areas:</b> New development areas or increased activity in a geographic area Multi-well pad, extended development activity Sensitive habitats or cultural considerations Expressed landowner concern
	<b>Landowner Accountability Program</b>	<b>Purpose:</b> Ensure Royalty and landowner concerns and grievances are addressed in a timely fashion and tracked to closure	<b>Focus Areas:</b> Royalty inquiries   Address changes   Ownership changes   Property damage   Environmental concerns Speed/traffic   Noise/dust   Road/gate/cattle guard



## CORPORATE COMMUNITY INVESTMENT

Aethon’s business as an energy provider is directly tied to the progress, health and prosperity of the communities where we operate. We believe the most effective social and charitable investments are made through strategic support of organizations dedicated to serving our communities. Therefore, Aethon works closely with landowners and community groups throughout our operations to support long-term positive impacts.

We also recognize that responsible natural gas development provides widespread economic benefits to local communities where it is sourced. Aethon promotes further local wealth and income creation by developing strategic relationships with local businesses and suppliers for its business, and to also provide education and training to develop local workforces in our communities.

In 2022, we hosted our first non-profit fair at Aethon’s corporate offices, inviting eight different charitable organizations to meet with our team about the causes they support in our communities. More than two thirds of our Dallas-based team members participated in the event, which helped foster new relationships and opportunities for our team to support our communities.

## LOUISIANA

Bienville Parish	\$10,568.54
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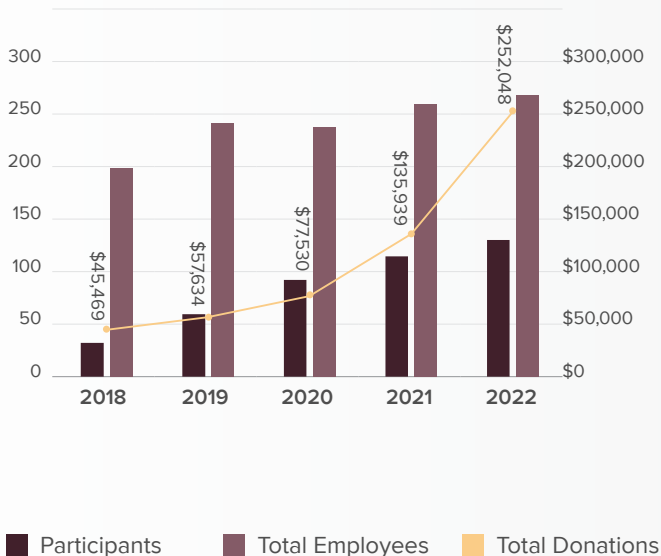
## TEXAS

Boys & Girls Club - Nacogdoches	\$8,000
Boys & Girls Club - Nacogdoches	\$10,000
Boys & Girls Club - San Augustine	\$8,000
East Texas Food Bank	\$10,000
East Texas Food Bank	\$6,000
Nacogdoches County Junior Steer Show	\$1,000
Regional East Texas Food Bank	\$6,000
Regional East Texas Food Bank	\$10,000
San Augustine County Junior Livestock & Fair Show	\$1,000
San Augustine Rotary Club	\$8,000
Shelby County 4H/FFA Youth In.	\$1,000

## WYOMING

Fremont County Fair	\$5,605
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### Employee-led Community Investment



## EMPLOYEE INVOLVEMENT

Aethon seeks to support the causes our employees are passionate about. We offer a \$5,000 annual match for monetary contributions and volunteerism per employee, as well as a commitment to double-match any contributions given during our Double-Matching Month of September.

We saw record levels of individual employee participation, service and giving in 2022, with 49% of all team members participating in **Aethon in Action**. **Aethon in Action** is our social impact program, which empowers our team members to donate their time and/or money to the issues that matter to them. Both monetary donations and the percentage of employees submitting volunteer hours in 2022 were almost double 2021 levels. Importantly, almost 35% of employees participating in the program submitted volunteer hours, an increase from 17% in 2021, for a total of over 200 hours volunteered.

Through our matching initiative, Aethon donated more than \$250,000 for a total of almost \$525,000 invested in the communities in which we operated during 2022.

# Appendix

## INDEPENDENT LIMITED ASSURANCE REPORT TO AETHON ENERGY MANAGEMENT LLC

ERM Certification & Verification Services Incorporated (“ERM CVS”) was engaged by Aethon Energy Management LLC (“Aethon”) to provide limited assurance in relation to the selected information set out below and presented in Aethon’s 2022 Sustainability Report (the “Report”).

ENGAGEMENT SUMMARY																	
Scope of our assurance engagement	Whether the 2022 information for the specified indicators listed below are fairly presented in the Report, in all material respects, in accordance with the reporting criteria.																
	<table border="1"> <thead> <tr> <th>DISCLOSURE</th> <th>UNIT</th> </tr> </thead> <tbody> <tr> <td colspan="2"><b>Environmental Indicators</b></td> </tr> <tr> <td>Scope 1 GHG emissions reportable under the EPA GHG reporting requirement</td> <td>metric tons CO<sub>2</sub>e</td> </tr> <tr> <td>Scope 1 GHG emissions reportable under the EPA GHG reporting requirement intensity (by production)</td> <td>metric tons CO<sub>2</sub>e /production*</td> </tr> <tr> <td>Scope 2 GHG emissions (location-based)</td> <td>metric tons CO<sub>2</sub>e</td> </tr> <tr> <td>Total fugitive methane leak emissions from equipment components</td> <td>metric tons CO<sub>2</sub>e</td> </tr> <tr> <td colspan="2"><b>Safety Indicator</b></td> </tr> <tr> <td>Total recordable incident rate (TRIR) for employees</td> <td>Number</td> </tr> </tbody> </table>	DISCLOSURE	UNIT	<b>Environmental Indicators</b>		Scope 1 GHG emissions reportable under the EPA GHG reporting requirement	metric tons CO <sub>2</sub> e	Scope 1 GHG emissions reportable under the EPA GHG reporting requirement intensity (by production)	metric tons CO <sub>2</sub> e /production*	Scope 2 GHG emissions (location-based)	metric tons CO <sub>2</sub> e	Total fugitive methane leak emissions from equipment components	metric tons CO <sub>2</sub> e	<b>Safety Indicator</b>		Total recordable incident rate (TRIR) for employees	Number
	DISCLOSURE	UNIT															
	<b>Environmental Indicators</b>																
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	Total fugitive methane leak emissions from equipment components	metric tons CO <sub>2</sub> e															
	<b>Safety Indicator</b>																
	Total recordable incident rate (TRIR) for employees	Number															
*Production data was not a part of the scope of the assurance engagement itself; rather, ERM CVS placed reliance on the accuracy and completeness of the production data, which was then used to assure the intensity figures																	
Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Report																	
Reporting period	1 January 2022 – 31 December 2022																
Reporting criteria	<ul style="list-style-type: none"> <li>Aethon’s publicly available government-approved methodology (EPA GHG reporting requirement (40 CFR part 98 Subpart W)) for the Scope 1 GHG and fugitive methane leak emissions</li> <li>WBCSD/WRI GHG Protocol (2004, as updated January 2015) for the Scope 2 GHG emissions</li> <li>OSHA Injury and Illness Recordkeeping and Reporting definitions for TRIR</li> </ul>																
Assurance standard and level of assurance	<p>We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ issued by the International Auditing and Standards Board.</p> <p>The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.</p>																
Respective responsibilities	<p>Aethon is responsible for preparing the Report and for the collection and presentation of the information within it, and for the designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the specified indicators in Scope.</p> <p>ERM CVS’ responsibility is to provide conclusions to Aethon on the agreed scope based on our engagement terms with Aethon, the assurance activities performed and exercising our professional judgement.</p>																

### Our Conclusion

Based on our activities, as described below, nothing has come to our attention to indicate that the 2022 data and information for the disclosures listed under ‘Scope’ above are not fairly presented in the Report, in all material respects, in accordance with the reporting criteria.

## Our Assurance Activities

Considering the level of assurance and our assessment of the risk of material misstatement of the Selected Information a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Evaluating the appropriateness of the reporting criteria for the selected information.
- Interviews with relevant staff to understand and evaluate the management systems and processes (including internal review and control processes) used for collecting and reporting the selected disclosures.
- A review at corporate level of a sample of qualitative and quantitative evidence supporting the reported information.
- An analytical review of the year-end data submitted by all locations included in the consolidated 2022 group data for the selected disclosures which included testing the completeness and mathematical accuracy of conversions and calculations, and consolidation in line with the stated reporting boundary.
- Virtual visit to the Martinsville Amine Treatment process facility in the USA to review source data and local reporting systems and controls.
- Confirming conversion and emission factors and assumptions used.
- Reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

## Boundries

The sites included in the data review are those which are required to report under EPA GHG reporting requirement (40 CFR part 98), which include operations in the following basins: Arkla-230, East Texas-260, Wind River-530.

## The Limitations of Our Engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

## Our Independence, Integrity and Quality Control

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

ERM CVS has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes, and provides no consultancy related services to Aethon in any respect.



### Beth Wyke

Head of Corporate Assurance Services  
Malvern, PA

November 21, 2023

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## UNGC PRINCIPLES, SDGs & STANDARDS

	UNGC PRINCIPLES <sup>1</sup>	SDGs <sup>2</sup>	GRI STANDARDS <sup>3</sup>	GRI 11: OIL & GAS SECTOR STANDARDS 2021 <sup>4</sup>	SASB STANDARDS <sup>5</sup>
About Aethon			2-1 <sup>6</sup>		
Our Approach to Sustainability		17	2-2 <sup>6</sup> 2-3 <sup>6</sup> 2-22 <sup>6</sup> 2-23 <sup>6</sup> 2-24 <sup>6</sup> 3-1 <sup>7</sup> 3-2 <sup>7</sup>	11.19.1	
Business Ethics, Governance & Continuity	1, 2, 4, 5, 6, 10	10, 11, 12	2-9 <sup>6</sup> 2-10 <sup>6</sup> 2-11 <sup>6</sup> 2-12 <sup>6</sup> 2-13 <sup>6</sup> 2-26 <sup>6</sup>	11.19.2 11.20.4	Business Ethics & Transparency
Climate Change	7, 8, 9	7, 13	305-1 <sup>8</sup> 305-2 <sup>8</sup>	11.1.5 11.1.6 11.2.2 11.2.3	Greenhouse Gas Emissions
Environment	7, 8, 9	6, 12, 15	306-3 <sup>9</sup>	11.5.4 11.8.2	Air Quality Water Management Biodiversity Impacts
Safety		3	403-1 <sup>10</sup> 403-2 <sup>10</sup> 403-3 <sup>10</sup> 403-4 <sup>10</sup> 403-5 <sup>10</sup> 403-6 <sup>10</sup> 403-9 <sup>10</sup>	11.9.2 11.9.3 11.9.4 11.9.5 11.9.6 11.9.7 11.9.10	Workforce Health & Safety
Innovation	7, 9	7, 9, 13, 17		11.2.2 11.2.3	Greenhouse Gas Emissions Air Quality
People	6	4, 5, 8, 10	2-30 <sup>6</sup> 401-2 <sup>11</sup> 404-2 <sup>12</sup> 404-3 <sup>12</sup> 405-1 <sup>13</sup>	11.7.3 11.10.3 11.10.7 11.11.5	
Communities		1, 2, 4, 8, 10, 11	413-1 <sup>14</sup>	11.15.2	Community Relations
Appendix			2-5 <sup>6</sup>		

### Footnotes

1. The UN Global Compact, The Ten Principles
2. The United Nations Department of Economic and Social Affairs Sustainable Development, The 17 Goals
3. The Global Reporting Initiative, The GRI Standards
4. GRI Standards, GRI 11: Oil & Gas Sector 2021
5. SASB Standard, Oil & Gas – Exploration & Production Standard
6. GRI Standards, GRI 2: General Disclosures 2021
7. GRI Standards, GRI 3: Material Topics 2021
8. GRI Standards, GRI 305: Emissions 2016
9. GRI Standards, GRI 306: Effluents and Waste 2016
10. GRI Standards, GRI 403: Occupational Health and Safety 2018
11. GRI Standards, GRI 401: Employment 2016
12. GRI Standards, GRI 404: Training and Education 2016
13. GRI Standards, GRI 405: Diversity and Equal Opportunity 2016
14. GRI Standards, GRI 413: Local Communities 2016



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